

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

November 13, 2002

IN RE:

APPLICATION OF TTI NATIONAL, INC.
FOR APPROVAL OF A TRANSFER OF
ASSETS FROM PT-1 COMMUNICATIONS, INC.
AND PT-1 LONG DISTANCE

)
)
) DOCKET NO.
) 02-00899
)
)

ORDER APPROVING CUSTOMER NOTIFICATION LETTER

This matter came before Director Deborah Taylor Tate, Director Pat Miller, and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on September 23, 2002 for consideration of the *Application* filed by TTI National, Inc. ("TTI") for approval of a transfer of assets and a customer notice letter pursuant to the provisions of Authority Rule 1220-4-2-.56(2)(d)(2).¹

Authority Rule 1220-4-2-.56(2)(d)(2)

Authority Rule 1220-4-2-.56(2)(d)(2) provides as follows:

(d) In the case of a transfer of a customer base between two or more telecommunications service providers, the Authority, upon petition by the acquiring telecommunications service provider, may deem that sufficient notice has been given and approval received from the affected customers when the following criteria are met:

- ...
2. A notification letter, pre-approved by the Authority, shall be mailed by U.S. First Class Postage by the telecommunications service provider being acquired to its customers describing the customer transfer and explaining that the customers' local or long distance service will be transferred to the acquiring telecommunications service provider by a certain date unless the

¹ Although the *Application* seeks approval of a transfer of assets, because TTI is a certificated reseller of telecommunications services in Tennessee, approval of the transfer of authority to provide utility services currently held by PT-1 is not required in this instance.

customer selects another telecommunications service provider. This customer notification shall be mailed to the customers no less than thirty (30) days prior to the actual customer transfer. The notification letter required by the FCC may be used for the notification purposes of this part. The Authority may waive the thirty (30) day notice requirement of this part for good cause shown.

The Application

According to the *Application*, which was filed on August 28, 2002, TTI is an interexchange carrier authorized to offer intrastate service in Tennessee and forty-eight (48) other states. TTI offers switched outbound, toll free, and calling card services, which are marketed primarily to small business and residential customers. TTI is a wholly owned subsidiary of WorldCom, Inc.

In the *Application*, TTI requests that the Authority approve, pursuant to Authority Rule 1220-4-2-.56(2)(d), a transfer of the pre-subscribed long distance customer bases of PT-1 Communications, Inc. and PT-1 Long Distance, Inc. (collectively "PT-1") to TTI. The *Application* states that PT-1 filed under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court of the Eastern District of New York.²

PT-1 Communications, Inc. was granted authority to provide utility services in Tennessee by Order dated October 1, 1996 in Docket No. 96-01284, and this authority was cancelled by Order dated November 17, 1998. PT-1 Long Distance, Inc. was granted authority to provide utility services in Tennessee by Order dated October 26, 1999 in Docket No. 99-00691. This authority was revoked, under the same docket number, for non-payment of regulatory fees and failure to file a surety bond, by Order dated January 23, 2002.

According to the *Application*, on March 7, 2002, an auction was held at which MCI WorldCom Network Services, Inc. ("MWNSI"), a subsidiary of WorldCom, Inc., made a bid for PT-1's assets, including all of PT-1's U.S. based long distance customer accounts which have selected

² The *Application* states simply that PT-1's bankruptcy petitions were filed in the "United States Bankruptcy Court for the District of New York." *Application*, August 28, 2002, p. 2. The Federal courts' PACER database shows that this filing was in the Bankruptcy Court for the Eastern District of New York.

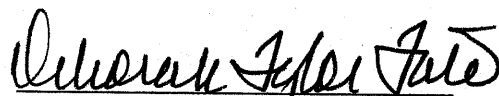
PT-1 as their provider for outbound and inbound switched services. Because MWNSI's bid was the best offer for PT-1's assets, the Bankruptcy Court entered an order authorizing the sale of substantially all of PT-1's assets, including PT-1's customer base and carrier identification codes, to MWNSI, free and clear of all liens, claims and encumbrances transferable to TTI at closing.

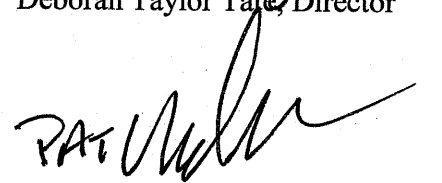
The *Application* further states that the resulting transition in service will include appropriate notice to each of PT-1's pre-subscribed customers, advising them of TTI's service and rates and providing such customers with information enabling them to choose another carrier than TTI, if they so choose. This notice is being provided in order to comply with Authority Rule 1220-4-2-.56(2)(d) and with the Federal Communications Commission's rule (47 C.F.R. § 64.1120(e)(1)) governing the sale and transfer of carriers' customer bases. TTI submitted a sample of its proposed customer notification letter with its *Application* which is attached to this Order as Exhibit A.

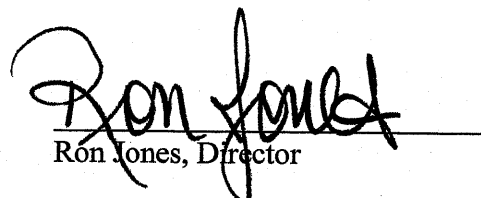
At the September 23, 2002 Authority Conference, the voting panel voted unanimously to approve the customer notification letter filed with the *Application*.

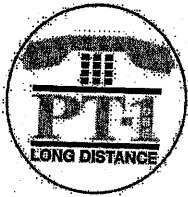
IT IS THEREFORE ORDERED THAT:

The customer notification letter proposed by TTI National, Inc., and attached to this Order as Exhibit A, is approved.

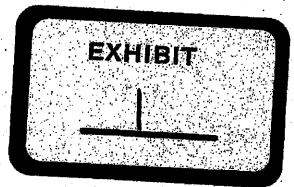

Deborah Taylor Tate, Director


Pat Miller, Director


Ron Jones, Director



DIAL
101-6868
LONG DISTANCE 24 HOURS - 7 DAYS!



Dear Customer:

Great news regarding your long distance service! TTI National, Inc. ("TTI National") has acquired the customers of PT-1 (101-6868) and therefore, PT-1 will no longer be serving as your domestic presubscribed long distance carrier. TTI National is owned by WorldCom, Inc., one of the leading telecommunication companies in the world, providing superior service for many years. PT-1 has taken the necessary steps to ensure that you continue to receive quality long distance service at the same prices, without interruption and without any need on your part to take action. In addition, you will continue to be billed by your local phone company. On (date) or soon thereafter, when you dial "1+" from the telephone line now served by PT-1, your long distance calls will be completed by TTI National.

We are confident that TTI National is fully capable of providing reliable and economical telecommunications products. Of course, you are under no obligation to take service from TTI National. You may choose to select another company to handle your calls. If for any reason you decide not to stay with TTI National then we recommend that you choose a replacement carrier before (date), the planned date for the beginning of service conversion to TTI National.

We have made arrangements with TTI National to serve in our place by providing intrastate, interstate and international services to satisfy your telecommunications requirements. TTI National will soon send you a letter to provide you with information concerning your service.

If you have any questions, please call us at 888-660-5377. We thank you for your continued support and your business. We have enjoyed being your service provider.

Sincerely,

PT-1 Communications, Inc.
PT-1 Long Distance, Inc.

BY: _____

